The Church of Jesus of Christ of Latter-Day Saints Trust Board

Consolidated Financial Statements
31 December 2011

Photo: Hamilton, New Zealand Temple

The Church of Jesus Christ of Latter-Day Saints Trust Board

Table of contents

Statement of Comprehensive Income	1
Statement of Changes in Equity	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Financial Statements	5

Photo: Christus statue at Church visitor centre, located directly opposite Temple in Hamilton ,New Zealand

"And we talk of Christ, we rejoice in Christ, we preach of Christ, we prophesy of Christ, and we write according to our prophecies, that our children may know to what source they may look for a remission of their sins."

2 Nephi 25:26 (Book of Mormon)

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Comprehensive Income
For the year ended 31 December 2011
In thousands of New Zealand Dollars

	Note	Group 2011	Group 2010	Trust 2011	Trust 2010
Income					
Grants, tithing and other donations					
Grant income		15,114	21,958	15,114	21,958
Tithing		30,399	28,437	30,399	28,437
Other donations		3,076	3,182	3,076	3,182
		48,589	53,577	48,589	53,577
Sales income					
Sale of Literature and Supplies		1,095	896	1,095	896
Other sales income		143	141	143	94
Cost of sales		(1,259)	(917)	(1,259)	(917)
Gross profit		(22)	120	(22)	73
Other income					
Rental income		1,411	1,522	1,411	1,522
Gain (Loss) on sale of assets		416	(434)	416	(434)
Other income		1,337	1,899	1,337	1,901
Interest income		224	113	224	113
Foreign exchange gains/ (losses)		(3)	7	(3)	7
		3,385	3,108	3,385	3,109
Expenditure					
Remuneration and other employee benefits	7	17,386	16,380	17,386	16,034
Defined benefit plan movements (excluding actuarial movements)		19	(1,723)	19	(1,723)
General and administrative expenses		12,553	11,899	12,553	11,826
Facility lease and operating costs		9,972	8,287	9,972	8,287
Depreciation		6,247	8,469	6,247	8,469
Grants, donations, humanitarian and local unit expenses		4,711	6,553	4,711	6,915
Total expenditure	6	50,888	49,865	50,888	49,808
Surplus for the year		1,064	6,939	1,064	6,951
Other comprehensive income					
Defined benefit plan actuarial gains/ (losses)	13	(1,268)	818	(1,268)	818
Total comprehensive income for the year		(204)	7,757	(204)	7,769

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Changes in Equity

For the year ended 31 December 2011

In thousands of New Zealand Dollars

		Group			Trust		
	Note	Retained earnings	Reserves	Total Equity	Retained earnings	Reserves	Total Equity
Balance 1 January 2010		147,526	18,121	165,647	147,537	18,121	165,658
Total comprehensive income for the year							
Surplus for the year		6,939	-	6,939	6,951	-	6,951
Other comprehensive income		818		818	818	-	818
Total comprehensive income for the year		7,757	-	7,757	7,769	-	7,769
Transactions with non -owners recorded directly in equity							
Transfer between equity reserves	18	(915)	915		(915)	915	-
Transactions with owners recorded directly in equity		-	-	-	-	-	-
Balance 31 December 2010		154,368	19,036	173,404	154,391	19,036	173,427
Total comprehensive income for the year							
Surplus for the year		1,064	-	1,064	1,064		1,064
Other comprehensive income		(1,268)		(1,268)	(1,268)		(1,268)
Total comprehensive income for the year		(204)	-	(204)	(204)	-	(204)
Transactions with non -owners recorded directly in equity							
Transfers between equity reserves	18	(756)	756	-	(756)	756	-
Transactions with owners recorded directly in equity		22	-	22	-	-	-
Balance 31 December 2011		153,431	19,792	173,223	153,431	19,792	173,223

The accompanying notes form part of these financial statements

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Financial Position
As at 31 December 2011
In thousands of New Zealand Dollars

	Note	Group 2011	Group 2010	Trust 2011	Trust 2010
Assets					
Current					
Cash and cash equivalents	8	6,558	7,339	6,558	7,335
Trade debtors and other receivables	9	3,175	2,174	3,175	2,172
Inventories	10	206	206	206	206
		9,939	9,719	9,939	9,713
Non current					
Property, plant and equipment	14	172,534	172,234	172,534	172,234
Total assets		182,474	181,953	182,474	181,948
Liabilities					
Current					
Trade creditors and other payables	11	1,095	1,699	1,095	1,699
Employee entitlements	12	2,508	2,489	2,508	2,461
		3,603	4,188	3,603	4,160
Non current					
Employee entitlements	12	5,648	4,361	5,648	4,361
Total liabilities		9,251	8,549	9,251	8,521
Equity					
Retained earnings		153,431	154,368	153,431	154,391
Reserves	18	19,792	19,036	19,792	19,036
Total equity		173,223	173,404	173,223	173,427
Total equity and liabilities		182,474	181,953	182,474	181,948

Encouraging Youth - new member of the Church Jonah Lomu speaks to large congregation of Church youth in Auckland (July 2012).

These financial statements are approved for issue by the Trust Board as at 26 September 2012.

The accompanying notes form part of these financial statements

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Cash Flows
For the year ended December 2011
In thousands of New Zealand Dollars

		Group		Trust	
	Note	2011	2010	2011	2010
Cash flows from operating activities					
Receipts from Church Head Office in USA		7,500	20,700	7,500	20,700
Grants, tithing and other donations received		41,089	32,877	41,089	32,877
Receipts from sales income		1,238	1,036	1,238	990
Other receipts		1,747	2,794	1,747	2,795
Interest received		224	115	224	115
Payments to suppliers and employees		(46,447)	(45,607)	(46,447)	(45,557)
Net cash flows from operating activities	15	5,351	11,915	5,351	11,920
Cash flows from investing activities					
Purchase of investments		-	-	-	-
Proceeds from sale of property, plant and equipment		416	516	416	516
Purchase of property, plant and equipment		(6,547)	(12,143)	(6,547)	(12,143)
Net cash flows used in investing activities		(6,131)	(11,627)	(6,131)	(11,627)
Net increase in cash and cash equivalents		(781)	288	(781)	293
Cash and cash equivalents at beginning of year		7,339	7,051	7,339	7,043
Cash and cash equivalents at end of year		6,558	7,339	6,558	7,335

Helping in the Community - Church members give service including weeding and landscaping at Linwood primary school in Christchurch, New Zealand (April 2011).

1 Reporting entity

These financial statements comprise the separate financial statements of The Church of Jesus Christ of Latter-Day Saints Trust Board (the "Trust") ,and the consolidated financial statements of the Group, for the year ended 31 December 2011.

The Trust was created pursuant to a trust deed dated the 9th May 1921 and was incorporated by private act of the New Zealand Parliament entitled the "Church of Jesus Christ of Latter-day Saints Empowering" Act (1957/1).

The Trust is a charitable trust incorporated under the Charities Trusts Act 1957, and registered under the Charities Act 2005, and therefore is exempt from income tax.

The principle activity of the Trust is to advance the work of The Church of Jesus Christ of Latter-day Saints (the "Church") in New Zealand by providing it with all temporal support that is required in that effort.

As a religious organisation, the Trust's purposes include the:

- *design, construction and maintenance of places of worship and other church facilities;*
- *provision of religious materials and education services;*
- *organization of disaster relief and other humanitarian aid projects;*
- *provision of counselling and other social services;*
- *training of missionaries and support of the Church's missionary program; and*
- *translation of religious and educational materials.*

None of the Trust's work is carried on for pecuniary profit.

The registered address of the Trust is 11 Huron Street, Takapuna, Auckland.

2 Basis of consolidation

In 2010 the Group financial statements consolidated the result, position and cash flows of the Trust (the "Parent) and its 100% owned subsidiary - LDS Family Services New Zealand (the "Subsidiary"). On 1 April 2011 the Trust acquired the subsidiary and therefore Group figures will match "Trust" figures at the reporting date.

The Group financial statements consolidate the financial statements of the Trust and all subsidiary entities over which the Trust has the power to control the financial reporting and operating policies.

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant inter-group balances are eliminated on consolidation of group result, position and cash flows.

All subsidiaries have a reporting date of 31 December 2011 and accounting policies applied are consistent with the Trust.

The Trust's investment in the Subsidiary is carried at cost ,which is nil, in the separate financial statements of the Trust.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to public benefit entities, that qualify for and apply differential reporting concessions.

The Trust and Group qualify for Public Benefit reporting exemptions as its primary objective is to provide services to the community for social benefit and the Trust and Group has been established with a view to supporting that primary objective rather than financial return. All available public benefit reporting exemptions available under NZ IFRS have been adopted.

3 Basis of preparation

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical costs basis, except financial assets stated at their fair value and defined benefit pension plan obligations measured at fair value.

Accrual accounting is used to recognise revenue and expenses and the consolidated financial statements have been prepared on a going concern basis.

(c) Presentation currency

The information is presented in New Zealand dollars.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Significant areas of estimate and judgment in the current period included - measurement of the Deseret Defined Benefit Pension Plan funding obligations.

(e) Comparatives

The comparative financial period is 12 months. Comparatives have been reclassified from that reported in the 31 December 2010 financial statements where appropriate to ensure consistency with the presentation of the current year's performance and results. No prior-period adjustments have been posted and the comparative net financial position and performance is consistent with that reported in the 31 December 2010 authorised financial statements.

(f) Changes in accounting policy and disclosure

The accounting policies adopted for the year ended 31 December 2011 are consistent with those of the previous financial year.

The Trust and Group has reviewed changes to New Zealand equivalents to IFRS and IFRIC interpretations and advises that these will result in no change to previous reporting or that the changes are not applicable.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Foreign currency translation

The Trust and Group hold financial assets denominated in foreign currencies. Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date, being the date when fair value is measured.

All realised and unrealised gains or losses on foreign currency translation are recognised in the Statement of Comprehensive Income.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(c) Trade and other receivables

Trade and other receivables are measured at cost less any impairment losses.

A provision for impairment is established where there is objective evidence that the Trust and Group will not be able to collect all amounts due according to the original terms of the receivable.

Receivables with a short duration are not discounted.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value (being the net selling price), with due allowance for any damaged and obsolete stock items.

Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Any write down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Income.

(e) Property, plant and equipment

Property, plant and equipment is measured at cost or valuation, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Capitalisation

All items of plant, equipment and vehicles are capitalised if the individual value is greater than $US10,000. All items with individual value below US$10,000 are expensed.

(ii) Additions

The cost of replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and Group and the cost of the item can be measured reliably.

(iii) Disposal

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the reported profit or loss.

(iv) Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment (except for land) over the estimated useful life of the asset. Depreciation is charged to the profit or loss in the Statement of Comprehensive Income. The following depreciation rates have been applied to each class of property, plant and equipment:

Land and improvements	30 to 40 years (improvements only)
Buildings and improvements	30 to 40 years
Furniture and fittings	3 years
Plant and equipment	3 to 10 years
Motor vehicles	3 years

The residual value of property, plant and equipment is reassessed annually. In the reporting period the assignment of residual values for fleet vehicles resulted in a reduction in accumulated depreciation of $2.0 million with an associated reduction in depreciation expense.

(f) Trade and other payables

Trade and other payables are measured at amortised cost using the effective rate interest method.

(g) Provisions

A provision is recognised when the Trust and Group have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

A provision for onerous contracts is recognised when the expected benefits expected from the contract are lower than the unavoidable costs of meeting contract obligations.

(h) Employee entitlements

Short term benefits

Employee benefits that the Trust and Group expect to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Trust and Group recognises a liability for sick leave. The amount is calculated based on the unused sick leave entitlements that can be carried forward at balance date, to the extent that the Trust and Group anticipates that it will be used by staff to cover those future absences.

Deseret Benefit Plan

The Trust is the trustee of the Deseret Benefit Plan (the "Plan"), a registered superannuation scheme that provides employees of the Church with pension benefits on retirement. The Plan is a defined benefit pension scheme. As trustee of the Plan, the Trust is liable for any underfunded past service pension obligations.

The liability amount recognized for defined benefit pension scheme obligations (if any), at each reporting date, is determined by actuarial valuation; and is the net total of the present value of the defined benefit pension scheme obligation, plus any actuarial gains, minus past service costs as well as the fair value at the Plan assets out of which the obligations will be settled.

Past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested.

The rate used to discount pension plan benefit obligations is determined by the actuarial by reference to market yields at the end of the reporting period on high quality bonds. The currency and term of the corporate bond is consistent with the currency and estimated term of post employment benefit obligations.

Actuarial assumptions used in measuring fair value of defined benefit obligations are based on the Plan being a going concern at the balance sheet date. Actuarial assumptions are not adjusted for curtailment or settlement of the Plan, until this event occurs.

(i) GST

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

(j) Income tax

Due to its charitable status, the Trust and Group is exempt from income tax.

(k) Financial instruments

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, investments and trade creditors and other payables. The Trust and Group held no derivative financial instruments (i.e. hedging instruments) in the years reported.

Financial assets and financial liabilities are recognised when the Trust and Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for those carried at fair value through profit or loss, which are measured at fair value.

<u>Financial assets</u>
The subsequent measurement of financial assets depends on their classification. The Trust and Group currently hold financial assets in one classification:

(i) Loans and receivables
Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Financial instruments classified as *loans and receivables* include: trade debtors and other receivable balances, cash and cash equivalents and investments.

The classification depends on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

<u>Financial liabilities</u>
All financial liabilities held by the Trust and Group are designated as "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method.

The Trust and Group have no off-balance sheet financial instruments.

<u>Impairment of financial assets</u>
All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables are presented in the Statement of Comprehensive Income, within expenses.

(l) Impairment

The carrying amounts of the Trust and Group assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

The estimated recoverable of assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicators exist, the Trust and Group estimate the asset's recoverable amount, to measure the reversal of any previous period impairment charges. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversals of impairment are recognised in the Statement of Comprehensive Income.

(m) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Trust and Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received. The Trust and Group assess its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Trust and Group's own account is recognised as gross revenue in the Statement of Comprehensive Income.

The following specific recognition criteria must be met before revenue is recognised:

Donations and grants

Donations and grants are recognised in the Statement of Comprehensive Income when received and all obligations associated with the donations and grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (income in advance).

Donated assets are recorded at their value at the date of donation. Like many other charitable organisations, the Trust and Group often receives the benefit of people's time and service carried out free of charge, and this type of donation which cannot be readily quantified, is not recorded in the financial statements.

Sale of goods

Revenue from the sale of goods is recognized in the Statement of Comprehensive Income when the significant risk and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date.

Interest

Interest revenue is recognised as the interest accrues (using the effective interest method).

Rental income

Income from the rental of property is recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

5 New NZ IFRS standards and interpretations not yet adopted

At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Trust and Group.

Management anticipates that all pronouncements will be adopted in the Trust and Group accounting policies for the first year beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Trust and Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact of the Trust and Group financial statements.

NZ IFRS 9 Financial Instruments will eventually replace *NZ IAS 39 Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ending 2013. The Trust and Group have not yet assessed the impact of the new standard and expects it will not be adopted early.

FRS-44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments) – These were issued in May 2011 with the purpose of harmonising Australia and New Zealand's accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The amendments must first be adopted for the year ended 31 December 2012. The Trust and Group have not yet assessed the effects of FRS-44 and the Harmonisation Amendments.

As the External Reporting Board is consulting on a new accounting standards framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS with a mandatory effective date for annual reporting periods commencing on or after 1 January 2012 will not be applicable to public benefit entities. This means that the financial reporting requirements for public benefit entities are expected to be effectively frozen in the short term. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Helping in the Community - Church members paint exterior walls at Windy Ridge school in North Shore, Auckland (May 2011).

Helping in the Community - Church members help to clean and beautify parts of Auckland prior to the Rugby world cup (August 2011).

In thousands of New Zealand Dollars

6 Expenditure

	Group		Trust	
Expenditure disclosed in the Statement of Comprehensive Income includes:	**2011**	2010	**2011**	2010
Audit fees - for financial statement audit	-	168	-	168
- for other services	-	-	-	-
Bank fees	54	19	54	19
Donations	71	2,375	71	2,737
Minimum lease payments - operating leases	2,089	1,994	2,089	1,994
Redundancy expenses	-	161	-	161

Donations above relate to payments made by the Trust Board on behalf of other Church entities in the Pacific Area. These payments were mostly taken over by another Church legal entity during 2010.

7 Remuneration and other employee benefits

	Group		Trust	
	2011	2010	**2011**	2010
Salaries and Wages	13,744	13,353	13,744	13,064
Redundancy expenses	-	161	-	161
Other employee benefit expenses	3,642	2,866	3,642	2,809
	17,386	**16,380**	**17,386**	**16,034**

8 Cash and cash equivalents

	Group		Trust	
	2011	2010	**2011**	2010
Cash at bank and in hand	979	2,111	979	2,108
At call funds	3,906	3,628	3,906	3,628
Short term deposits	1,674	1,599	1,674	1,599
	6,558	**7,339**	**6,558**	**7,336**

Cash at bank earns interest at floating rates on daily deposit balances.

Short term deposits are made for varying periods of between six months and one year depending on the immediate cash requirements of the Trust and Group, and earn interest at the respective short-term deposit rates.

The Church has a commitment with the Bank of New Zealand in the amount of $150,000 as security against payroll and other items (2010: $150,000)

	Group		Trust	
Cash and cash equivalents include the following funds held in	**2011**	2010	**2011**	2010
Maori Agricultural College Memorial Scholarship Fund	46	43	46	43
Blair Johnson Education Trust	141	149	141	149
George Terry Trust	921	902	921	902
David Fisher Trust	15	13	15	13
Genealogical Trust	302	244	302	244
Area Education Fund	249	248	249	248
	1,674	**1,599**	**1,674**	**1,599**

Notes to the financial statements
In thousands of New Zealand Dollars

9 Trade debtors and other receivables

	Group		Trust	
	2011	2010	**2011**	2010
Trade receivables	991	697	991	695
GST receivable	2,561	1,237	2,561	1,237
Related party receivables	-	-	-	-
Other receivables	128	742	128	742
Less allowance for doubtful debts	(504)	(501)	(504)	(501)
	3,175	**2,174**	**3,175**	**2,173**

	Group		Trust	
Allowance for doubtful debts:	**2011**	2010	**2011**	2010
Opening balance	(501)	(502)	(501)	(502)
Doubtful debts collected	4	7	4	7
Current year provision movement	(7)	(6)	(7)	(6)
	(504)	**(501)**	**(504)**	**(501)**

All trade receivables are subject to credit risk exposure. There is no concentration of credit risk with respect to receivables outside the entity, as the entity has a large number of customers. The carrying amount of trade and other receivables approximates their fair value.

As at 31 December 2011 there were no significant debtor balances overdue (i.e. greater than 30 days) that had not been provided for.

10 Inventories

	Group		Trust	
	2011	**2010**		**2010**
Family Resource centre supplies	206	206		206
	206	**206**		**206**

11 Trade creditors and other payables

	Group		Trust	
	2011	2010	**2011**	2010
Trade creditors	119	39	119	39
Related party payables	-	-	-	-
Accrued expenses and other payables	976	1,660	976	1,660
	1,095	**1,699**	**1,095**	**1,699**

Trade creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

12 Employee benefit liabilities

	Group		Trust	
	2011	2010	**2011**	2010
Deseret benefit plan liability	5,648	4,361	5,648	4,361
Accrued redundancy expenses	359	653	359	653
Annual leave	1,085	947	1,085	947
Other payroll deductions	1,064	888	1,064	861
	8,156	**6,850**	**8,156**	**6,822**
Employee benefits liabilities have been allocated to the balance sheet as follows:				
Current	2,508	2,489	2,508	2,461
Non-current	5,648	4,361	5,648	4,361
	8,156	**6,850**	**8,156**	**6,822**

Employee benefit liabilities - continued

In 2006, the Trust Board announced the closure of the Church College of New Zealand. This has resulted in $0 (2010:$160,851) of redundancies being paid during the year and a provision of $359,040 (2010:$653,366) for redundancy benefits accruing at year end.

13 Deseret Benefit Plan

The Deseret Benefit Plan is a registered superannuation scheme that provides employees of the Church with pension benefits on retirement. Usually a member may exchange up to 25% of their pension for a lump sum, although full commutation is allowed in some cases. The Plan is currently open to new members.

Members contribute at a rate of 4% of their salaries. They can also make additional voluntary contributions at their own discretion. Member voluntary contributions attract a subsidy of two thirds of the member's voluntary contribution amount, subject to a maximum of 2% of salary less contribution tax.

The Church's contributions are determined by the Church after considering the advice of the Plan's actuary. Based on the actuary's advice from the latest statutory valuation carried out as at 1 April 2009 the Church is currently contributing at a rate of 19.9% of members' salaries, including ESCT. In addition the Church reimburses the Plan for the pensions paid to the disability pensioners.

Methodology

Membership information as at 31 March 2011 and 31 March 2010 has been used to determine the benefit obligation. The benefit obligation at 31 December 2011 has been 'rolled forward' from the 31 March liability position as this is the Plan's review date.

The value of the Plan assets at 31 December 2011 has been based on the financial statements at 31 March 2011 then adjusted for cash flows and an estmate of the investment return for the 9 months to 31 December 2011.

Tax on the Plan's investment income has been allowed for by using a discount rate net of investment tax at 28%. ESCT has been allowed for by adjusting the net asset in the balance sheet and the pension expense for contributions tax.

All actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

Membership information

Membership information is extracted from Mercer's administration records and a summary as at 31 March provided below:

	Trust and Group	
<u>Membership</u>	**2011**	**2010**
Disability pensioners	3	5
Active members	127	126
Pensioners	106	103
<u>Average age</u>		
Disability pensioners	55.3	54.8
Active members	48.3	47.9
Pensioners	72.1	71.8
<u>Average pension and salary per annum</u>		
Average pension of disability pensioners	$ 32,105	$ 33,269
Average pension of pensioners	$ 9,193	$ 8,499

Assumptions

The discount rate is the annualised New Zealand Government 10 year bond rate adjusted for investment tax of 28%. We have used 4.3% and 2.8% as at 31 December 2010 and 31 December 2011 respectively.

The expected future return on the Plan's assets, net of tax and all expenses is 4.8% (2010: 5.2%)

In thousands of New Zealand Dollars

Deseret Benefit Plan (continued)

Member pensioner mortality has been based on NZLT 2005-2007 mortality tables, set back by 2 years. This is the same as the 1 April 2009 statutory valuation and the 2010 IAS valuation. No allowance has been made for future mortality improvements.

The pension increase rate is nil in line with the International Benefit Committee's decision that future increases will not be considered except in extraordinary circumstances (2010: 2%).

The salary inflation rate has been assumed to be 4.5% pa; this is unchanged from 2010.

Retirement age is assumed to be 60 years.

Members are assumed to commute 25% of their pension entitlement for a lump sum at retirement using current commutation factors.

ESCT is assumed to be 33% for all beneficiaries in the future.

Accounting Policy
Actuarial gains and losses are recognised in Statement of Comprehensive Income in the year in which they occur.

Plan information
Active members have Defined Benefit style benefits with a pension payable on retirement, although partial commutation is allowed. Members can also contribute to a subsidised voluntary accumulation section. In addition, the Plan has pensioner and disability pensioner members.

Reconciliation of the Present Value of the Defined Benefit Obligation
As trustee of the Pension Plan, the Trust is liable for any under-funded past service pension obligations.

	Trust and Group	
Net funding position	2011	2010
Present value of defined benefit obligations	32,808	31,928
Fair value of scheme assets	29,024	29,006
Liability	3,784	2,922
Contributions tax	1,864	1,439
Liability with contributions tax	**5,648**	**4,361**
Reconciliation of the present value of defined benefit obligations		
Balance at beginning of year	**31,928**	**30,198**
Current service cost (net of member contributions)	1,140	1,075
Interest cost	1,347	1,274
Contributions by scheme participants	586	555
Actuarial (gains)/ losses	(159)	338
Benefits paid	(2,034)	(1,512)
	32,808	**31,928**
Reconciliation of fair value of plan assets		
Balance at beginning of year	**29,006**	**25,995**
Expected return on plan assets	1,506	1,370
Actuarial (gains)/ losses	(1,427)	1,156
Employer contributions (net of contribution tax)	1,387	1,442
Contributions by scheme participants	586	555
Benefits paid	(2,034)	(1,512)
	29,024	**29,006**

In thousands of New Zealand Dollars

Deseret Benefit Plan (continued)

	Trust and Group	
	2011	**2010**
Expense recognised in income statement		
Service cost (net of member contributions)	1,140	1,075
Interest cost	1,347	1,274
Expected return on plan assets	(1,506)	(1,370)
Recognised actuarial loss/ (gain)	1,268	(818)
Superannuation expense	**2,249**	**161**
Contributions tax	1,108	79
Superannuation expense plus contributions tax	**3,357**	**240**
Movement in net liability recognised in the balance sheet		
Opening balance	4,361	6,273
Superannuation expense plus contributions tax	3,357	240
Employer contributions including contributions tax	(2,070)	(2,152)
	5,648	**4,361**
Plan assets		
The percentage invested at each class at the balance sheet date:		
NZ shares	19%	19%
Global shares	28%	32%
Global fixed interest	14%	20%
NZ fixed interest	12%	12%
Property	10%	10%
Cash	16%	6%
	99%	**100%**

The fair value of plan assets includes no amounts relating to:

- Any of the employers' own financial instruments.
- Any property occupied by, or other assets used by, the employer.

The expected return on plan assets is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class. The returns used for each class are net of investment tax and all expenses.

	Trust and Group	
	2011	**2010**
Actual return on plan assets	79	2,526
Principal actuarial assumptions at the balance sheet date		
Discount rate	2.80%	4.30%
Salary rate increase	4.50%	4.50%
Expected rate of return on plan assets, net of all expenses (start of period)	5.20%	5.20%
Pensioner mortality tables	NZLT 05/07 - 2	NZLT 05/07 - 2
Historical information		
Present value of defined benefit obligation	32,808	31,928
Fair value of scheme assets	29,024	29,006
(Surplus)/ deficit in scheme	3,784	2,922
Experience adjustments (gain)/ loss - scheme assets	1,427	(1,156)
Experience adjustments (gain)/ loss - scheme liabilities	(26)	338
Assumptions change (gain)/ loss - scheme liabilities	(133)	-
Limitation on net asset (gain)/ loss	-	-

Expected contributions	**2011**	**2010**
Expected employer contributions net of contributions tax	1,278	1,526

Notes to the financial statements

In thousands of New Zealand Dollars

14 Property, plant and equipment

31 December 2011

	Land and improvements	Buildings and improvements	Furniture and fittings	Equipment	Vehicles	Total
Cost						
Balance 1 January 2011	57,680	194,711	153	300	5,551	258,395
Additions	2,410	3,607	0	102	1,424	7,543
Disposals	0	0	(20)	(71)	(1,087)	(1,178)
Balance 31 December 2011	60,090	198,318	133	331	5,888	264,761
Accumulated depreciation and impairment						
Balance 1 January 2011	(18,905)	(63,367)	(77)	(233)	(3,578)	(86,160)
Depreciation expense	(1,336)	(6,024)	(19)	(76)	(754)	(8,209)
Written back on disposal/adjusted for residual values	0	0	0	70	2,072	2,142
Balance 31 December 2011	(20,241)	(69,391)	(96)	(239)	(2,260)	(92,226)
Carrying amount 31 December 2011	39,849	128,927	37	93	3,628	172,534

As at 31 December 2011 all property, plant and equipment of the Group was held by the Trust.

All items of plant,equipment and vehicles are capitalised only if the individual value is greater than US$10,000. All items with individual value below US$10,000 are expensed. Amount expensed 2011 $1,754,784 (2010: $3,247,027)

In thousands of New Zealand Dollars

Property, plant and equipment (continued)

31 December 2010

	Land and improvements	Buildings and improvements	Furniture and fittings	Equipment	Vehicles	Total
Cost						
Balance 1 January 2010	55,275	185,534	153	300	5,469	246,731
Additions	2,405	9,177	0	0	1,617	13,199
Disposals	0	0	0	0	(1,535)	(1,535)
Balance 31 December 2010	57,680	194,711	153	300	5,551	258,395
Accumulated depreciation and impairment						
Balance 1 January 2010	(17,164)	(56,310)	(31)	(164)	(3,551)	(77,220)
Depreciation expense	(1,741)	(7,057)	(46)	(69)	(1,446)	(10,359)
Written back on disposal	0	0	0	0	1,419	1,419
Balance 31 December 2010	(18,905)	(63,367)	(77)	(233)	(3,578)	(86,160)
Carrying amount 31 December 2010	38,775	131,344	76	67	1,973	172,234

As at 31 December 2010 all property, plant and equipment of the Group was held by the Trust.

Notes to the financial statements
In thousands of New Zealand Dollars

15 Reconciliation of profit for the year to net cash flows from operations

	Group		Trust	
	2011	**2010**	**2011**	**2010**
Surplus for the year	1,064	6,939	1,064	6,951
Other comprehensive income	(1,268)	818	(1,268)	818
Non cash items				
Depreciation	6,247	8,469	6,247	8,469
Movement in Equity	22		22	
Items classified as investing activities				
Gain/(loss) on disposal of property, plant and equipment	(416)	434	(416)	434
Increase/decrease in investment	-	105	-	105
Movement in working capital				
Decrease/(increase) in trade and other payables	(604)	(10)	(604)	(17)
Decrease/(increase) in employee entitlements	1,307	(4,109)	1,307	(4,109)
Increase/(decrease) in trade debtors and other receivables	(1,001)	(733)	(1,001)	(733)
Increase/(decrease) in inventories	-	1	-	1
Net cash flow from operating activities	5,351	11,915	5,351	11,919

16 Lease commitments

Operating lease commitments payable	Group		Trust	
Minimum lease payments under non-cancellable operating	**2011**	**2010**	**2011**	**2010**
Not later than one year	509	301	509	301
Between one and two years	418	301	418	301
Two years to three years	147	151	147	151
	1,074	753	1,074	753

The Trust leases property, plant and equipment in the normal course of its operations. Leases can be renewed at the Trust's option.

17 Capital Management

Capital includes retained earnings of the Trust and Group. The primary objective of the Trust and Group's capital management policy is to ensure working capital is maintained in order to support its activities. The Patent and Group manage its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgeted discretionary expenditure is reduced to ensure external financing is not required.

Helping in the Community - Church members in the lower North Island collected and shipped **nearly** 47,000 books in a "Books for Fiji" project that benefitted schools in Fiji (October 2011).

In thousands of New Zealand Dollars

18 Equity reserves

Trust and Group 2011	Opening	Transfer from/(to) retained earnings	Closing
Missionary Funds	18,618	1,052	19,670
Book of Mormon Fund	103	17	120
Humanitarian Aid Fund	2	0	2
Temple Funds	313	(313)	-
Restricted Funds	-	-	-
	19,036	756	19,792

Trust and Group 2010	Opening	Transfer from/(to) retained earnings	Closing
Missionary Funds	17,505	1,113	18,618
Book of Mormon Fund	85	18	103
Humanitarian Aid Fund	36	(34)	2
Temple Funds	495	(182)	313
Restricted Funds	-	-	-
	18,121	915	19,036

All movements to and from Equity Reserves are through the Retained Earnings equity account in the Statement of Changes in Equity. No equity reserve movements are taken directly to equity and movements in equity reserves do not impact the Statement of Comprehensive Income.

Missionary Funds

The missionary support fund represents donations from the members in New Zealand towards the costs of the Church's worldwide missionary fund program which is co-ordinated and administered by The Corporation of the President of The Church of Jesus Christ of Latter-day Saints. Funds authorised for specified missionaries serving in New Zealand are released evenly over their mission term of either 18 months or two years. Currently, donations received from members is not adequate to cover the expenses associated with missionaries serving in New Zealand. The "shortfall" is funded from the unrestricted funds and brings the balance of this fund at year end to "nil."

Book of Mormon Fund

These funds are donated by the members towards the production and distribution costs of The Book of Mormon Another Testament of Jesus Christ. These expenses are recorded by The Church of Jesus Christ of Latter-day Saints in Salt Lake

Humanitarian Aid Fund

These funds are donated by the members to help fund the program of Humanitarian Aid approved by The Church of Jesus Christ of Latter-day Saints for aid throughout the world. Currently, donations received from members is not adequate to cover the expenses associated with aid received in New Zealand. The "shortfall" is funded from the unrestricted funds and brings the balance of this fund at year end to "nil."

Temple Funds

These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world.

Restricted funds

The Church operates a number of Restricted Funds to record amounts received over the years through bequests and testaments from members, the use of which is restricted. The bequest and testaments can only be used in accordance with benefactor's specific directions. The interest earned on the bequest and testaments is added to the original fund and similarly may only be used in accordance with the benefactor's specific directions.

In thousands of New Zealand Dollars

19 Related parties

(a) Parent and ultimate controlling party

The Parent and ultimate controlling party of Group is The Church of Jesus Christ of Latter-Day Saints Trust Board.

After acquisition of LDS Family services New Zealand in April 2011 the Trust has no subsidiaries.

(b) Transactions with related parties

The Trust has a related party relationship with its Church Head Office in Salt Lake City, USA.

The Trust receives grants from the Church Head Office in Salt Lake City, USA, which subsidises part of the Trust's costs in performing its services. These amounts are recorded as grant income and is reported within the category of other revenue in the Statement of Comprehensive Income. Grant income totaled $7.5 million during the year ended 31 December 2011 (2010: $20.7 million).

In the past the Trust has also purchased items from the Church Head Office for distribution throughout New Zealand and the Pacific Islands. These amounts are recorded as grant expense and is reported within donations in the other expense category in the Statement of Comprehensive Income. These amounts totaled $0.03 million during the year ended 31 December 2011 (2010: $2.7 million).

(c) Key management personnel

The Trust and Group has a related party relationship with its trustees, directors and executive officers.

	Group		Trust	
	2011	2010	2011	2010
Trustee fees	-		-	
Executive management remuneration	987	929	987	929

Total remuneration paid to key management personnel is made up of short-term employee benefits. No other post employment benefits, termination benefits or long term benefit arrangements have been expensed in the years reported.

20 Financial instruments

The carrying amount of all material balance sheet assets and liabilities are considered to be equivalent to their fair value . The Trust and Group have no off balance sheet financial instruments.

All financial assets held by the Trust and Group are classified as "loans and receivables" and carried at cost less accumulated impairment losses or "financial instruments at fair value through profit or loss.

All financial liabilities are measured at amortised cost using the effective interest rate method.

CCNZ envisioning - community consultation- Interested residents attend open house to view proposals for use of former Church College site located in Temple View, Hamilton (July 2012).

In thousands of New Zealand Dollars

(a) Risk management analysis

The Trust and Group are exposed to various risks in relation to financial instruments. The main types of risk are credit risk and liquidity risk. The Trust and Group has a series of policies to manage the risk associated with financial instruments. Policies have been established which do not allow transactions that are speculative in nature to be entered into.

(i) Credit risk

Credit risk is the risk that a third party default on its obligation to the Trust and Group, causing the Trust and Group to incur losses. The Trust and Group have no significant concentration of credit risk in relation to cash and accounts receivable. The Trust and Group do not expect the non-performance of any obligations at balance date. The carrying amount of trade and other receivables represents the Trust and Group's maximum exposure to credit risk at balance date.

The Trust and Group at balance date have no accounts receivable past due, that have not been provided for.

(ii) Liquidity risk

Liquidity risk represents the Trust and Group's ability to meet its contractual obligations as they fall due. The Trust and Group manages liquidity risk by managing cash flows and ensuring that adequate credit lines are in place to cover potential short falls.

Group 2011 *Contractual cash flows of financial instruments held*	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	6,558	6,558	6,558	-	-
Trade debtors and other receivables	3,175	3,175	3,175	-	-
Investments	-	-	-	-	-
	9,734	9,734	9,734	-	-
Liabilities					
Trade and other payables	1,095	1,095	1,095	-	-
Operating leases	-	1,074	255	255	418
Capital commitments	-	580	580	-	-
	1,095	2,749	1,929	255	418
Net liquidity position	8,639	6,985	7,805	(255)	(418)

Group 2010 *Contractual cash flows of financial instruments held*	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	7,339	7,339	7,339	-	-
Trade debtors and other receivables	2,174	2,174	2,174	-	-
Investments	-	-	-	-	-
	9,513	9,513	9,513	-	-
Liabilities					
Trade and other payables	1,699	1,699	1,699	-	-
Operating leases	-	753	151	151	452
Capital commitments	-	11	11	-	-
	1,699	2,463	1,861	151	452
Net liquidity position	7,814	7,050	7,653	(151)	(452)

In thousands of New Zealand Dollars

Financial instruments (continued)

Trust 2010 *Contractual cash flows of financial instruments held*	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 - 12 months**	**Greater than 12 months**
Assets					
Cash and cash equivalents	6,558	6,558	6,558	-	-
Trade debtors and other receivables	3,175	3,175	3,175	-	-
Investments	-	-	-	-	-
	9,734	9,734	9,734	-	-
Liabilities					
Trade and other payables	1,095	1,095	1,095	-	-
Operating leases	-	1,074	255	255	418
Capital commitments	-	580	580	-	-
	1,095	2,749	1,929	254.5	418
Net liquidity position	8,639	6,985	7,805	(255)	(418)

Trust 2009 *Contractual cash flows of* financial instruments held	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 - 12 months**	**Greater than 12 months**
Assets					
Cash and cash equivalents	7,335	7,335	7,335	-	-
Trade debtors and other receivables	2,172	2,172	2,172	-	-
Investments	-	-	-	-	-
	9,508	9,508	9,508	-	-
Liabilities					
Trade and other payables	1,699	1,699	1,699	-	-
Operating leases	-	753	151	151	452
Capital commitments	-	11	11	-	-
	1,699	2,463	1,861	151	452
Net liquidity position	7,809	7,045	7,647	(151)	(452)

(b) Financial instrument classification

All financial assets held by the Trust and Group are classified as *loans and receivables* and measured at cost.

All financial liabilities held by the Trust and Group are classified as *loans and receivables* and measured at amortised cost using the effective interest rate method.

21 Capital commitments

The Trust and Group have capital commitments at balance date of $580,000 (2009: $1,762,000).

22 Contingent liabilities

The Trust and Group have no contingent liabilities at balance date (2010: Nil).

23 Subsequent events

There were no subsequent events.

24 Audit

The Financial Statements have not been audited.

To learn more about *the Church of Jesus Christ of Latter-day Saints*, to find out about our beliefs and what we do, and to see stories about our members who live in your communities: - go to www.mormon.org

Here are some snapshots from that site:

WHO WE ARE

The Church of Jesus Christ of Latter-day Saints is the official name of the religion commonly called the Mormon Church. We believe first and foremost that Jesus Christ is the Savior of the world and the Son of God.

While our backgrounds and experiences are diverse, Mormons are united by a commitment to Jesus Christ. This site features members of The Church of Jesus Christ of Latter-day Saints sharing their stories and telling what their faith means to them.

> Learn more about our faith

I WANT TO:

- Learn more about Jesus Christ
- Locate a Mormon Church close by
- Order a free Book of Mormon
- Meet Mormons and read their stories
- Create a Mormon.org Profile
- Learn about Family History
- Meet with Mormon missionaries
- Learn about Joseph Smith
- Chat with Church representatives
- Read frequently asked questions

Request a free copy of the Book of Mormon

The Book of Mormon Another Testament of Jesus Christ is a record of God's dealings with the inhabitants of ancient America (Learn more about the Book of Mormon).

To request missionaries to deliver your free copy and share a message, please complete the form below. Or you can also read or listen to the Book of Mormon online. The book is a gift from The Church of Jesus Christ of Latter-day Saints.